ABAG March/April 2003

Service Matters

Links between Land Use and Water Take Center Stage ABAG Spring General Assembly 2003

ater and land use, simple words but complex issues. Land use and water are inextricably linked and their access, availability, and sustainability impact how Bay Area communities grow and prosper. Featuring an outstanding array of prominent speakers and experts, the ABAG Spring General Assembly (GA) will examine water resource complexity and its implications for local government and land use strategies. Joining ABAG as conference sponsors for the April 24th event is the Bay Area Water Agencies Coalition (BAWAC), which includes Alameda County Water District, Bay Area Water Users Association, Contra Costa Water District, East Bay Municipal Utility District, San Francisco Public Utilities Commission, Santa Clara Valley Water District, and Zone 7 Water Agency.

Opening keynote speaker, **Senator Mike Machado**, Chair of the Senate Agriculture and Water Resources Committee, will provide an overview of water resources statewide and state direction on water availability and accessibility and impact on growth and economic vitality. Afternoon keynote speaker **Assembly Member Joe Canciamilla** will explore the issues related to sustainability of water and land use. Canciamilla is the Chair of the Assembly Committee on Water, Parks and Wildlife. Award-winning journalist **Dan Walters**, columnist and political analyst for the *Sacramento Bee*, will probe the trends and politics of water and land use in California as the luncheon keynote speaker. Walters is the founder of the *California Political Almanac* and author of the *New California—Facing the 21st Century*.

Other speakers will cover an array of topical issues for local government and water districts. Randy Kanouse, Special Assistant to the EBMUD General Manager, will analyze recently passed legislation and its affect on local government planning and efforts related to development, housing, and water infrastructure. Mill Valley Council Member Clifford Waldeck, Vice Chair of the Regional Water Quality Control Board, will examine NPDES (National Pollutant Discharge Elimination System), its permit program, and local government implementation issues. A response panel of local elected officals and water agency representatives will query speakers on issues.

Case studies and best practices relating to land use and water management will highlight the afternoon sessions. The Santa Clara Valley Urban Runoff Program's approach to implementing new development regulations will be

featured, as well as the Sonoma County Water Agency's Napa-Sonoma Marsh Reclamation Project and its multi-jurisdictional program involving reclaimed water. Tom O'Malley, President of the Tri-



Valley Business Council, will talk about their efforts to develop a water supply to support Tri-Valley agriculture, and **Antioch Mayor Donald P. Freitas**, Director of the Contra Costa Clean Water Program, will highlight the program's success as a model of partnership among local government, water districts, and agencies.

ABAG President Gwen Regalia urges the participation of all member cities and counties in the Spring General Assembly that opens at 9 a.m. The annual Business Meeting will take place during the conference at 12:15 p.m. The conference will conclude with a special reception co-sponsored by *KB Home* and the *Sonoma County Water Agency* that will offer additional opportunities for further discussion and for forging city/county/water district partnerships. To view the detailed agenda and registration information, go to http://www.abag.ca.gov/abag/events/ga or call 510/464-7900. The registration deadline is April 21st and there is a discount for online registration.

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ABAG Introduces New Deputy Executive Director Henry Gardner

either snow, nor rain, nor the worst East Coast blizzard in recent history kept the Association of Bay Area Governments' newest addition from starting in February. Henry L. Gardner, ABAG's new Deputy Executive Director, had to use the ingenuity he is known for to depart from the snowed-in East Coast where he was visiting to arrive for his first day at ABAG on February 19th, only a day later than he had intended.

ABAG is excited about Henry Gardner joining the ABAG team. He brings a wealth of knowledge and recognized expertise in municipal management, governmental operations, and public finance. Gardner will assist ABAG

Executive Director Eugene Leong in overseeing and supervising the agency's planning and service programs, and support functions, as well as assist as liaison with the region's city, town, and county managers and administrators.

"I am deeply committed to being part of regional efforts to address Bay Area's challenges relating to land-use, transportation, air quality, congestion management, job creation, and the consensus building that is integral to regional problemsolving," Gardner said as he sat in his

new ABAG office surrounded by ABAG reports and bond prospectuses.

An award winning professional with more than 30 years of

Gwen Regalia
ABAG President.

Mayor, City of Walnut Creek
Scott Haggerty
ABAG Vice President,

Alameda County Supervisor

Eugene Y. Leong

Secretary/Treasurer and Executive Director

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Fax: 510.464.7970 E-mail: info@abag.ca.gov abagOnline: http://www.abaq.ca.gov public service and private consulting, Henry Gardner began his career with the City of Oakland, serving in a variety of roles in city management rising from Assistant City Manager to City Manager. He was Oakland's City Manager from 1981-93 where he provided overall management leadership for every phase of city government that included 17 major departments. He also served as

Administrator of the Redevelopment Agency, managing a workforce of 5,000 employees and participating in the structuring of over fifty municipal bond financings.

Gardner commented that "those were challenging years where the city dealt with a major recession, the impact of Proposition 13, the Loma Prieta earthquake and the Oakland Hills Fire. I had to address very tight budgetary constraints, dwindling resources, and increased demand for social services. My challenge was to find creative ways to meet these priorities." In recognition of his leadership and accomplishments as Oakland's City Manager, Henry Gardner was named in 1990 the "most valuable City

Manager in the country" by *City and State Magazine*.

Working in the private sector during the nineties as Senior Vice President and Manager of the Western Region for Donaldson, Lufkin & Jenrette, and most recently as Managing Partner for Gardner, Underwood & Bacon, he developed major and successful strategies for public financing, capital projects and new business development. He also provided extensive municipal management consulting services to states, cities, counties, schools, and special districts.

During his public and private service, Gardner has been the recipient of the National Forum for

Black Public Administrators' Mark of Excellence Award, and was the 1992 Selected Fellow of the National Academy of Public Administration. He currently serves on the Board of Directors of the Institute for Local Self Government, the California State Association of Counties Finance Corporation, the California College of Arts and Crafts, the Graduate Theological Union of Berkeley, as well as on the Board of Directors for Children's Hospital and Research Center of Oakland and the Special Olympics of Northern California. He is the past president and founding board member of the National Forum for Black Public Administrators.

Henry Gardner was born in Florida and attended college in Illinois where he received an A.B. from the University of Illinois with a major in Political Science and Speech, and a M.A. from Southern Illinois University in Government and International Law and Relations. He has lived in the Bay Area and Oakland since the early 1970s.



Phone: 510.464.7900

Comprehensive Integrated Regional Planning Historic Special Session of ABAG Executive Board Called

mid budget woes, a stalled economy, and demands for more effective ways to deal with regional issues, it is evident that the need for comprehensive and integrated regional planning was never greater or more necessary. Bay Area housing prices are among the highest in the country. Traffic congestion is perceived to be among the most important issues facing the region, if not the most critical. And the Bay Area is one of few metropolitan regions in the nation that separates land use planning from transportation planning.

An effective, comprehensive regional planning framework is needed and must be *integrated* to deal with, not only land use, transportation, and housing, but also economic, environmental and equity issues. This means that the Bay Area should have a regional growth strategy that

deals comprehensively with land use, transportation, housing and open space, habitat protection, air quality, water quality and supply, economic and social equity issues. Most fundamentally, it means that the status quo of bifurcating land use planning and transportation planning should not continue.

How to make integrated comprehensive regional planning happen and determine what form it would take are critical first steps in this process and require deliberation that cannot be delayed. This has been the topic discussed within many committees and meetings between ABAG and the Metropolitan Transportation Commission (MTC) for a number of months.

Acting on the direction of the Executive Board, the ABAG Administrative Committee has been working since last September to formulate a legislative strategy to achieve comprehensive regional planning, especially since Senator Tom Torlakson (D) had indicated that he would reintroduce legislation this session. Before having legislation introduced, ABAG's officers attempted to work with MTC on a joint legislative strategy. MTC made it clear that it was not interested in merger or changes to governance structure. To ensure that our member cities and counties are not trapped in a reactive mode as occurred last year, ABAG's Administrative Committee has developed

comprehensive planning legislation that is circulating to Mayors' Conferences as a discussion draft. A spot bill AB 829 has been introduced by Assembly Member Simon Salinas (D).

This legislation was the primary topic of ABAG's special session held on February 26th, the *first special session in forty-two years*. The meeting was requested by seven members of ABAG's Executive Board, including three members who also serve on the MTC Commission. The

ABAG Executive Board, other elected officials, and members of the public engaged in a dialogue that ranged from the need to proceed on proposed legislation and the desire to delay. Some recommended that this be a bottoms-up process with cities/counties first



Danville Councilmember Millie Greenberg speaks to Special Session.

weighing in on the concept of a merger and the kind of inclusive governance needed. Others recommended that a regional body such as the Regional Agency Coordinating Committee (RACC) study the issue and make the first proposals. On a vote of 14-9, with one abstention, the Executive Board defeated a motion to "take a hiatus from introducing legislation and refer it to RACC to discuss the issue of improving coordination and efficiency in the planning activities of MTC and ABAG."

The consensus was that this dialogue and exchange of information was extremely beneficial and a valuable first step. It was agreed that more discussion and decisionmaking would continue at the regularly scheduled Board Meeting on March 20. Representative jurisdictions and others would receive the special meeting's minutes and other background materials for consideration by their respective councils and boards and then the Executive Board would be ready to continue the discussion and propose next steps.

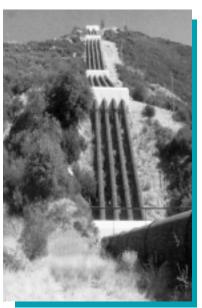
The proposed new legislation AB829, entitled *Regional Planning—San Francisco Bay Area*, at this time contains basic placeholder language that characterizes what regional efforts should encompass: *be supported through local jurisdiction consensus; recognize, preserve, and*

If the Hetch Hetchy Water System Fails in a Disaster, What Happens to the Economy?

hat would happen to the Bay Area economy if the San Francisco Public Utility Commission's (SFPUC) Hetch Hetchy water system failed due to a major earthquake? What would happen to the 2.4 million residents and businesses in four counties that rely on this resource?

The Bay Area Economic Forum, which is a partnership of the Bay Area Council and the Association of Bay Area Governments, recently issued an economic scenario analysis report, *Hetch Hetchy Water and the Bay Area Economy*. It concluded that the Bay Area economy is at major risk due to the deteriorating condition and vulnerability of the system. The regional consequences from disasters would affect commercial, industrial, residential welfare. Fire damage from a San Andreas Fault earthquake could total \$28.7 billion, and \$17.2 billion dollar damage from a Hayward Fault earthquake. Long-term damage would be significant because of the economic repercussions from resident relocation, reluctance of those outside the area to locate in the Bay Area, and the failure of businesses affected to re-open

their businesses.



Upgrading the system is the critical next step recommended by the report, and reflects the current focus of the SFPUC. A larger goal was recommended: to create a regional dialogue on regional water security and better use of water resources. This is being pursued through the ABAG-**CALFED Task Force** and other organizations. For more information about the report, *Hetch*

Hetchy Water and the Bay Area Economy, and its economic scenario analysis, please contact the Bay Area Economic Forum at 415/981-7117. For more information about the ABAG-CALFED Task Force, contact Kathleen Van Velsor at 510/464-7959 or kathleenv@abag.ca.gov.



Water for Life— Earth Day 2003

ational Earth Day 2003, celebrated on April 22, focuses on *Water for Life*. It will spotlight ongoing water protection efforts of local, national, and regional governments who are rising to the challenge of the Millennium Declaration adopted by the

United Nations. The Earth Day 2003 campaign will be illustrated by images of the "Ten Thirstiest Children on Earth" to garner political will, inspire individual action, and mobilize necessary resources to improve access to healthy water. The international goal is to reduce by one-half the proportion of people who are unable to reach or afford safe drinking water by the year 2015.

The Earth Day 2003 campaign intends to bring to the forefront major threats to water access, health, and usage that include human and industrial waste, urban runoff, agricultural fertilizers, sewage, and heavy metals and pesticides that contaminate oceans, rivers, and groundwater. Other threats to water that will be explored are vegetation clearing and paving, over-fishing and the introduction of non-native fish into surface waters, the impact of industrial forestry, burning fossil fuels to produce energy, and the impact of replacing rivers with dams.

Community Involvement

During Earth Day the health of local water resources will be tested by thousands of volunteers including students, families, and community groups throughout the Bay Area and nationwide. The Earth Day Network has prepared a comprehensive guide to water quality and a water monitoring kit for volunteers. Participants will be able to input results and generate a snapshot report of their findings. The Earth Day Network will then publish a compendium of all participating groups and their water quality testing snapshot results. Check the ABAG website (www.abag.ca.gov) in April for a listing of Bay Area Earth Day events.

Bright Spots & Dull Patches

Regional Economic Outlook: 2003 and 2004

long with the nation, the Bay Area has been

ABAG Projects Regional Economic Outlook for 2003 and 2004

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weathering economic storms, but there are some bright spots ahead and a little break in the Bay Area's economic weather, according to the Association of Bay Area Governments (ABAG). By the end of 2003 employment growth will show a marginal increase, with more promising growth in 2004. Taxable sales growth is moving from negative to positive in the Bay Area, with a modest four percent growth projected in 2004. Bay Area tourism is starting to rebound. These forecasts reflect some of the short-term regional economic trends unveiled at a 15th annual Regional Economic Outlook Conference, "Bright Spots & Dull Patches—Focus 2003-2004," sponsored by ABAG on January 30, 2003.

ABAG Research Director and Economist Paul Fassinger stated, "Even though the recession has disproportionately affected the Peninsula, with more highs and lows, the East Bay and northern part of the region have seen more stable employment and growth. For all there are some bright spots ahead with economic improvement occurring toward the end of the year into 2004." Fassinger's assessment reflects the fact that Santa Clara County lost more than 40,000 jobs between

Issues affecting near-term employment growth are layoffs in airlines, high tech, and government, with some improvement seen in software and tourism industries. Recovery will be slower in San Francisco, San Mateo and Santa Clara Counties. Slight job growth of 12,250 is projected in 2003, with 51,170 more jobs in 2004. Household incomes will increase 1.7 percent in 2003 and 1.4 percent in 2004. Consumer confidence and national economic growth are considered crucial factors in the growth forecast.

Highs and Lows of State Forecasts

December 2000 and December 2002.

Chief Economist Howard Roth of the California Department of Finance joined Fassinger in probing California's outlook within the backdrop of the state budget deficit and national and international economic influences. Ranking California's current recession as the second worst in California's history, behind the early 1990's recession, Roth stated that the current California budget solution to close a 34.5 billion gap is "through spending reductions, state-local program realignment with dedicated revenue sources, fund shifts, transfers and other revenue, and loans and borrowing." Attendees responded that the state budget deficit will have a profound impact on local government and services it provides.

Fassinger highlighted the strong housing market outlook for 2003 and 2004 as assessed by Senior Economist Robert A. Kleinhenz of the California Association of Realtors. Kleinhenz was not present at the conference until the end, delayed by severe fog in Southern California. However, he was able to answer attendee questions regarding housing forecasts by cell phone conference call. Heforecast a strong housing market in 2003, noting that real estate sales and prices broke records in the U.S. and California in 2002. The number of detached homes sold in the Bay Area increased 20 percent in 2002 from 2001. The median home price for Contra Costa County increased the most in 2002, 26.9 percent, from \$473,469 in December 2001 to \$600,609 in December 2002. Marin County still ranks the highest in median home price at \$668,631 with the median home price in California at \$338,110. All economic assessments indicate that housing affordability is the continuing concern and problem for 2003, with less than 21 percent of Bay Area households able to afford a median priced home.

Consumer Spending and Taxable Sales Growth

ABAG Senior Regional Analyst Brian Kirking highlighted Bay Area consumer

spending patterns, showing increased shopping at discount retailers, increased importance of home furnishings and building materials, with downturns in both business and leisure travel. Business to business technology will not see the 2000 sales volume again anytime soon, and the sale of new vehicles will be marked by incentives. Taxable sales growth was down four percent in 2002, but a 1.9 percent increase is expected in 2003. The North Bay which includes Solano, Napa, and Sonoma counties will experience the highest percent growth of taxable sales in 2003 and 2004. The decrease in consumer confidence reflected in these trends will have local impacts, because sales taxes provide major portions of government budgets.

This fifteenth annual conference answered the foremost regional conference for forecasting local government future revenue and planning budgets and consistently rated by attendees as one of the most reliable prognostications of Bay Area economic trends. ABAG provides a two-year regional economic outlook at the beginning of each calendar year.

Copies of the economic outlook report are available for purchase via ABAG's website at http://store.abag.ca.gov/projections.asp#11a or by calling 510/464-7900.

Need Answers to Questions and Resources on Current Issues?

he Association of Bay Area Governments offers links to public agencies, commerce, environmental agencies, and other governments, all at the click of a mouse, at one convenient location (www.abag.ca.gov). Some of the services available on the site that you might have overlooked are census data, consumer financial privacy information, and Bay Area terrorism hazards and resources.

Census Data

The census website links to Bay Area Regional and State of California Census data featuring most recent population figures, as well as historical data dating back to 1860. The direct link to Census Data is http://census.abag.ca.gov/.

Consumer Financial Privacy Information

The website provides a clearinghouse of information on Bay Area local ordinances, financial privacy information contacts, as well as the latest information and resources on consumer privacy issues and legislation. Consumer financial privacy information can be downloaded at http://www.abag.ca.gov/privacy/.

Bay Area Terrorism Hazards and Resources

Access to Federal, State, and Local Government pubic health, emergency preparedness, and terrorism response information is available on the ABAG website. Some of the sites featured are the Center of Disease Control, National Domestic Preparedness Office, Environmental Protection Agency, and the California Office of Emergency Services. Tips for coping with traffic disruptions after disasters are also available on the site. Bay Area terrorism hazards and resources can be downloaded at http://www.abag.ca.gov/bayarea/eqmaps/terrorism/.

Regional Planning continued from page 3

support local land use and transportation policies, authorities, and investments to foster the creation of land use general plans; be compatible with city land use general plans; recognize that land use development must be supported through development, adequate funding, and implementation of transportation plans; encourage local jurisdictions to implement local and regional smart growth objectives through positive incentives, rather than penalties; and be appointed by local jurisdictions to provide equitable and proportional representation in decisionmaking.

Finalizing specific legislative language that defines what the integration of ABAG and MTC into a comprehensive regional planning agency (for example, a Bay Area Metropolitan Regional Council) would look like, is the next step. A first draft of potential legislative language was crafted by ABAG's Administrative Committee to begin the review process.

Senator Torlakson's spot bill, SB 170, entitled San Francisco Bay Area Infrastructure Planning, has placeholder "intent" language that says short-term, fragmented or narrowly focused local planning has resulted in conflicting regional systems and exacerbated regional housing/transportation/economic problems. It asks that cities, counties, and regional agencies begin a



constructive dialogue about addressing these issues through collaboration, coordination, and consensus. Senator Torlakson's bill is a follow-up to SB 1243/864, which he introduced last year. After multiple amendments, SB 1243/864 was opposed by ABAG and the region's local governments, and then withdrawn from consideration. It was the conclusion of those opposed that SB1243/864 would not bring about the comprehensive planning needed. What did emerge from this legislative debate was an important re-affirmation by ABAG's members that: "any regional plan must rest on a partnership of the local governments to create a regional vision and the policies to advance that vision, and on a comprehensive and integrated planning process." (GA Resolution No.05-02)

Proactive, effective comprehensive regional planning is what this new legislative effort is about.

Forum Explores How New Law Changes Permitting for "Granny Units"

econd unit development, an issue of concern for both housing advocates and communities, will never be the same after July 1, 2003, due to the passage of AB 1866 (Wright). This new law shifts a city's

ability to control development of second units from a discretionary action to a ministerial action. This means, if local standards are met, an applicant could directly receive a planning sign-off and a second-unit building permit, without requirements for public hearings.

The law has also changed density bonus law by removing or reducing development standards such as open space, parking, setback, lot size, and others that would restrict housing at the community's defined density level. To assist cities in implementing this new law, the Regional Planning Committee of the Association of Bay Area Governments is holding a *Forum on*

Planning for Second Units. This half-day workshop will examine the legal implications of the new law and highlight the value of this housing type. The forum will be held on Friday, March 28, 2003, from 8:30 a.m. to 12:30 p.m at the

MetroCenter Auditorium, 101 Eighth Street, Oakland. ABAG is sponsoring this program with a grant from the Evelyn and Walter Haas, Jr. Fund.

The agenda and registration are available online at http://www.abag.ca.gov/abag/events_display.html or by calling 510/464-7900.

CENSUS 2000 Workshops

he Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission

(MTC) are hosting a series of free workshops on Census 2000. Six hands-on computer workshops on "Finding Census Data" (FCD) will be held at locations throughout the Bay Area in March 2003, (March 14 -Santa Rosa, March 19 -Vallejo, March 26 - San Jose). Using the Census Bureau's American FactFinder website, attendees will learn how to find Census data at various geographic levels such as county, city, census tract, and zip code. Attendees will also learn how to create maps and be provided with links to other data sources and resources. For more information on these popular

workshops and others to be scheduled in coming months please e-mail workshop@mtc.ca.gov.



Historical photo provided by the U.S. Census Bureau "Photo Zone."

Census Bureau employees display print publications and magnetic tape products from the 1960 and 1970 census. Magnetic Tape and many print products have been replaced by CD-ROM, DVD, and on-line data formats.

MARK YOUR CALENDAR!

March 2003

- 9:00 a.m. 11:00 a.m.

 Smart Growth Working Group

 Meeting

 MetroCenter, ABAG Room 106A
- 13 1:30 p.m. 3:30 p.m.

 Bay Trail Steering Committee

 Meeting

 MetroCenter, ABAG Room 106B
- 17 11:30a.m.
 ABAG-CALFED Task Force Water Management Subcommittee Meeting MetroCenter, ABAG Room 106B
- 19 12:30 p.m. 3:00 p.m.
 Inter-Regional Partnership
 Meeting
 MetroCenter, Auditorium

20 3:30 p.m.

Legislation & Governmental Organization Committee Meeting MetroCenter, ABAG 106B

5:00 p.m.

Finance and Personnel Committee Meeting MetroCenter, ABAG 106B

7:30 p.m.

Executive Board Meeting MetroCenter, Auditorium

28 8:30 a.m. – 12:30 p.m. Second Units Conference MetroCenter, Auditorium

April 2003

9:00 a.m. – 7:00 p.m.

Spring General Assembly
Westin St. Francis Hotel,
San Francisco



Updated Guide to Scenic Routes along the nine Bay Area Counties

A must for nature lovers and recreational enthusiasts

Set of six maps \$12.00 Individual map \$3.00 (plus shipping and handling)

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Notable Numbers

\$3.6

billion is the estimated cost of the long-term capital improvement projects to revamp the Hetch Hetchy system, scheduled to begin in 2003 and completed by 2016.

260

million gallons of water per day is currently supplied to the City and County of San Francisco, and the Counties of San Mateo, Santa Clara, and Alameda from the Hetch Hetchy system.

85%

of water for the Counties of San Mateo, Santa Clara, and Alameda comes from Sierra Nevada snowmelt captured and stored in the Hetch Hetchy reservoir on the Tuolumne River in Yosemite National Park. The remaining 15% comes from runoff in the Alameda and Peninsula watersheds.

4.5

million acres of farmland and ranches are irrigated by the San Francisco Bay Delta Estuary that encompasses approximately 1,600 square miles and drains over 40 percent of California's land.

Water facts from the San Francisco Public Utilities Commission and the San Francisco Bay Delta Estuary.

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